

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS ANKARA 005658

SIPDIS

DEPT FOR NEA/NGA, EUR/SE AND PRM/ANE

SENSITIVE

E.O. 12958: N/A

TAGS: [ETRD](#) [ELTN](#) [ENRG](#) [PREL](#) [TU](#) [IZ](#)

SUBJECT: Foreign Trade Undersecretary on Booming Trade
With Iraq, Border Congestion

REF: STATE 250386

[1](#)1. (U) Baghdad minimize considered.

Summary:

[1](#)2. (SBU) In a September 5 meeting with Econ Counselor and Econoff, Foreign Trade Undersecretary Tuncer Kayalar predicted that Turkish exports to Iraq would continue to grow quickly, and said that an intense inspection regime aimed at combatting smuggling and fraud is the reason for delays at the Habur border crossing. Kayalar made no substantive reply to EconCouns' demarche on Eximbank's plans for a framework agreement with the Trade Bank of Iraq (reftel). End Summary.

[1](#)3. (U) Meeting with Foreign Trade U/S Tuncer Kayalar, EconCouns delivered reftel demarche on Eximbank's plans to negotiate a framework agreement to insure lending by the Trade Bank of Iraq, emphasizing that this move is not aimed against third country exporters. In response to EconCouns' question on Turkish-Iraqi trade, Kayalar responded that Turkey is currently exporting about USD 100 million to Iraq monthly and expects to reach USD one billion by year-end. He expects trade to continue to grow in 2004.

[1](#)4. (SBU) Kayalar stated that border delays at the sole crossing in Habur are the result of Turkish Customs' close inspection of trucks to counter smuggling and fraud. He said 74 trucks had been stopped because their drivers had sold part of their fuel cargo in Turkey and replaced it with water before attempting to enter Iraqi territory. Truckers are also smuggling on the return trip to Turkey.

[1](#)5. (SBU) Kayalar said the GOT was keen to facilitate bilateral trade through a second border crossing, and establishing direct rail links and border trade centers which would allow duty free trade between firms and individuals in the border regions of both countries.
Edelman